

EXHIBIT B

TERMS AND CONDITIONS

1. Payments under this Purchase Order will be made monthly. Invoices will be made out to:

The Raso-Wooldridge Corporation
8820 Bellanca Avenue
Los Angeles 45, California
Attention: [] Manager
Contract & Finance

STATINTL

Said invoices must be certified by [] prior to payment.

STATINTL

2. Invoices will contain total number of hours worked, total direct labor costs, overhead, profit, and total material costs for the period covered by the invoice.
3. The work called for under this Purchase Order shall be performed by personnel of the Seller qualified professionally or otherwise to perform the same.
4. Any reports submitted in compliance with this Purchase Order shall bear the Purchase Order number and the prime contract number.
5. Direct labor - Seller shall be entitled to payment only for direct labor hours performed under, to the extent and at the rates specified in, this Purchase Order. Said rates include full compensation to Seller for overhead, plant burden, administration expense, profits, financing costs, depreciation, etc. No premium overtime payments will be reimbursable by Buyer except to the extent, if any, specified in this Purchase Order or in a Change Notice hereto issued by Buyer and acknowledged by Seller.
6. Materials - Any payment for materials will be made at Seller's actual invoiced cost, less trade or quantity discounts for material used directly in the performance of work hereunder. No handling charges will be allowed.
7. Subcontracting - None of the work or services hereunder shall be subcontracted by Seller except with the prior written consent of Buyer, and payment to Seller by Buyer for subcontracted work will not exceed the amount charged by the Subcontractor. The work "Subcontracted" shall not include the purchase of basic raw materials, standard stock, or catalog items.
8. Records - Seller's accounting system shall be subject to Buyer's approval. Seller shall maintain detailed, complete, and accurate accounting records of the hours of direct labor performed hereunder, and the hours of such labor billed by Seller shall be supported by individual daily job time-cards (preferably signed by the workers), and by evidence of actual payment either through payroll records or cancelled checks. Charges for materials must be supported by paid invoices or material requisitions. All records pertaining to this order shall be preserved for at least five (5) years after date of completion.

EXHIBIT B (Cont.)

TERMS AND CONDITIONS (Cont.)

9. Inspection and Audit - Representatives of Buyer and/or the Government shall have the right to inspect and audit Seller's plant, books, and records pertaining to this Purchase Order, and the work hereunder, at all times during regular business hours, and shall have the right to determine the correctness and propriety of the costs and charges billed by Seller. If any such inspection or audit discloses any mispricing of materials or errors in the computation of direct labor hours, resulting in overpayments by Buyer, the amount thereof shall be refunded to Buyer promptly upon demand.
10. As a condition to any extension of this contract, Ramo-Wooldridge may elect to make or have made by the Government an audit verification of the Contractor's most recent cost experience as they relate to hourly rates charged under this agreement.
11. Insurance - Liability to Third Persons - The Seller shall procure and thereafter maintain workmen's compensation, employer's liability, comprehensive general liability (bodily injury) and comprehensive automobile liability (bodily injury and property damage) insurance, with respect to performance under this Purchase Order, and such other insurance as the Buyer from time to time requires with respect to performance under this Purchase Order; provided, that the Seller in fulfillment of its obligation to procure workman's compensation insurance may, with the approval of the Buyer and pursuant to statutory authority, maintain a self-insurance program. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amounts, and for such periods of time, as the Buyer may from time to time require or approve, and with insurers approved by the Buyer.
12. Printed terms and conditions on the back of this Purchase Order shall be applicable. In the event of any conflict between the provisions appearing on the back of this Purchase Order and those in Exhibit B, the provisions in Exhibit B shall govern.